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SHOUGANG CENTURY HOLDINGS LIMITED
首 佳 科 技 製 造 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 103)

INSIDE INFORMATION
APPROVAL OF DIVIDEND DISTRIBUTION PLAN
FOR THE FINANCIAL YEARS FROM 2021 TO 2023

This announcement is made by the board (the “Board”) of directors (the “Directors”) of Shougang Century Holdings Limited (the “Company”, together with its subsidiaries, collectively the “Group”) pursuant to Rule 13.09(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board announces the Company’s dividend distribution plan for the financial years from 2021 to 2023 (the “Plan”).

To the extent permitted by applicable laws and the New Articles of Association of the Company, subject to the dividend policy adopted by the Company (the “Dividend Policy”) and in the absence of unforeseen circumstances, the Company plans to distribute dividends of an amount not less than 30% of the Group’s annual consolidated net profit attributable to the owners of the Company for each of the three financial years from 2021 to 2023 to the shareholders of the Company (the “Shareholders”). The Board may propose a distribution plan with a higher level of dividends based on the financial performance growth from time to time.

BACKGROUND OF AND REASONS FOR THE PLAN

The Board has approved the Plan taking into consideration the following factors:

1. Reward to the Shareholders

The Company has not distributed any dividend to the Shareholders for the financial years from 2011 to 2018. The Group's financial performance and profitability have improved since the financial year of 2019. To repay the Shareholders for their continued support, the Board declared and paid the final dividends of HK1 cent and HK1.5 cents per share for the financial years of 2019 and 2020 respectively. The Plan allows the Shareholders to participate in the Group's profits, thereby obtaining the continued support and confidence of the Shareholders and recognizing the value of the Group serving the Shareholders.

2. Confidence in the development of the Group

The Group is principally engaged in the manufacturing of steel cords for radial tyres. The demand for replacement tyres grows steadily with the rise in car ownership. Besides, in respond to the government's regulation on energy conservation and emission reduction, the constant increase in the production of electric cars drives demand for their accessorial tyres to grow remarkably, it is anticipated to expedite the market expansion of domestic steel cords for radial tyres and bring more room for development to steel cord industry in the long term. Thus, the Group's operations are promising. The Company is confident that sustainable performance can be created to support the Plan.

3. Strike a balance between the Company's growth and the Shareholders' interests

The Plan aims to continuously reward the Shareholders and create income for the Shareholders. While continuously and steadily distributing dividends in line with our performance, the Group will also strive to develop our business and retain necessary funds for equipment investments, research and development investments and so on, in order to strengthen the business foundation and expansion, and strive for balance between the Company's growth and the Shareholders' interests.

COMPLIANCE WITH THE DIVIDEND POLICY

For the avoidance of doubt, the Board retains the sole discretion as to the declaration and payment of dividends in any particular amount for any particular period and the manner in which such dividends will be paid. In determining whether or not to recommend the payment of any dividend, the Board shall continue to take into consideration the internal and external factors set out in the Dividend Policy. The Dividend Policy shall be disclosed in the annual report of the Company annually.

In the case of discrepancy between the Plan and the Dividend Policy, the Dividend Policy shall prevail.

The Plan does not constitute a declaration of any dividend and there can be no assurance that dividends will be paid in any particular amount for any given period. No representation is made that any amount in any currency could have been distributed or could be distributed. No person can make any demand or claim against any member of the Group or any director or employee of any member of the Group for any entitlement under the Plan and no person can hold any member of the Group or any director or employee of any member of the Group liable for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Shougang Century Holdings Limited
SU Fanrong
Chairman and Managing Director

Hong Kong, 21 February 2022

As at the date of this announcement, the Board comprises the following Directors:

Mr. Su Fanrong (Chairman and Managing Director), Mr. Ye Qian (Executive Director), Mr. Li Jinping (Executive Director), Mr. Adam Touhig (Non-executive Director), Mr. Yip Kin Man, Raymond (Independent Non-executive Director), Mr. Lam Yiu Kin (Independent Non-executive Director) and Mr. Feng Yaoling (Independent Non-executive Director).